



## **Middle Island**

RESOURCES LIMITED

**Middle Island Resources Ltd**  
ACN 142 361 608  
**ASX code: MDI**  
[www.middleisland.com.au](http://www.middleisland.com.au)

**Capital Structure:**  
469 million ordinary shares  
800,000 unlisted options

**Cash**  
\$3.6m (as at 30 June 2016)

**Directors & Management:**  
**Peter Thomas**  
Non-Executive Chairman  
**Rick Yeates**  
Managing Director  
**Beau Nicholls**  
Non-Executive Director  
**Dennis Wilkins**  
Company Secretary

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## **ASX Release – 29 July 2016**

### **Infill resource definition drilling commences at Sandstone gold project in WA**

- Middle Island Resources Limited (MDI, Middle Island or the Company) is pleased to advise that a programme of infill resource definition drilling commenced today at the Sandstone gold project, in the East Murchison goldfield of Western Australia.
- The Company's maiden drill programme at Sandstone comprises some 153 holes for ~4,200m of reverse circulation percussion (RC) drilling.
- The programme is focussed on infill and limited extension drilling at Sandstone's Two Mile Hill, Shillington and Shillington North gold deposits in order to upgrade all existing open pit resources into an Indicated category for inclusion in a pre-feasibility study (PFS) initiated by Middle Island since formally acquiring the project earlier this month.
- Subject to weather conditions, the drilling programme is anticipated to take approximately three weeks to complete, with final assay results likely to take a further two weeks to compile and process.

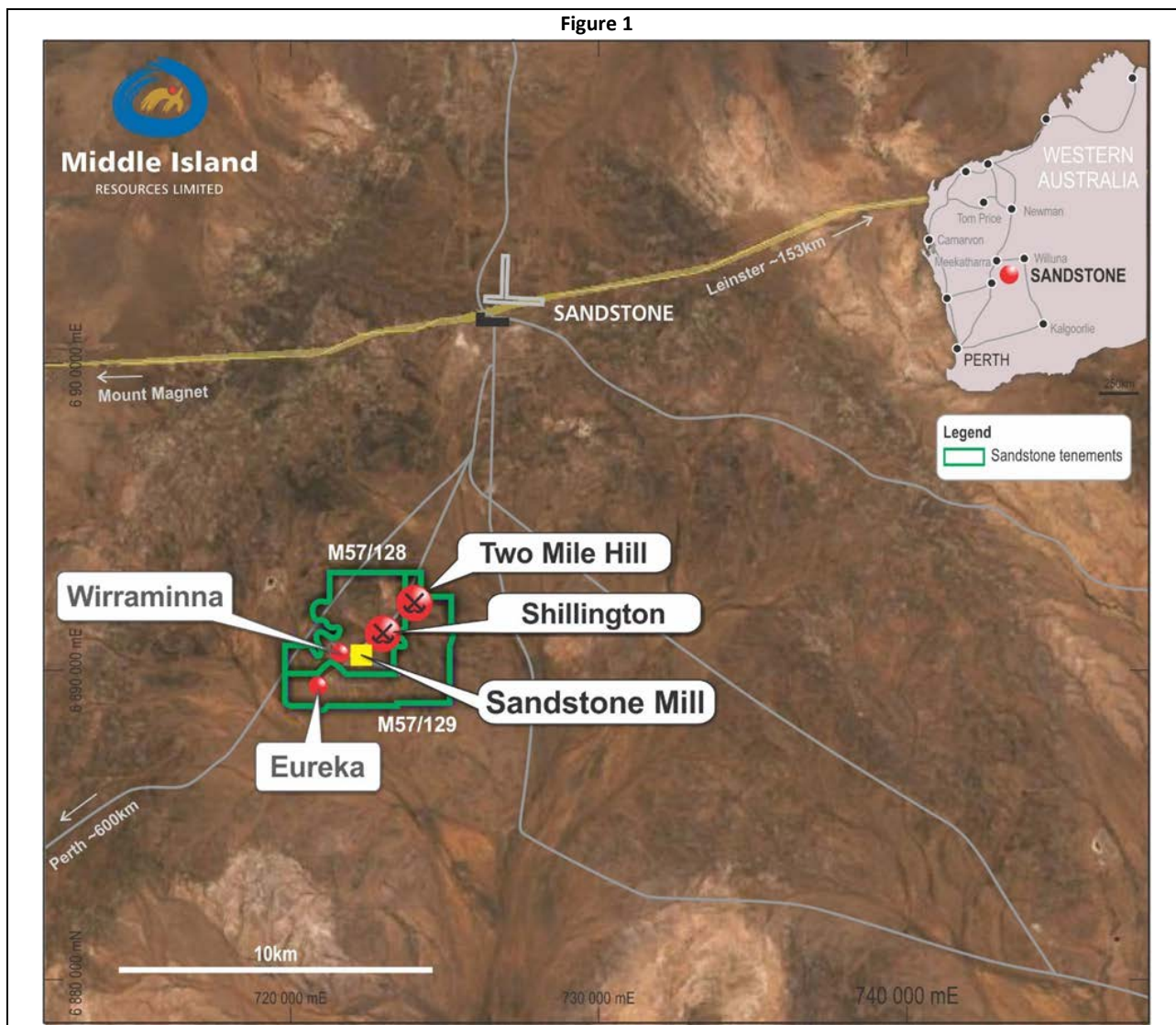


### Sandstone Gold Project

#### Resource Definition Drilling

Today, Middle Island commenced its maiden drilling programme at the Sandstone gold project (Figure 1) since assuming formal ownership of the assets on 11 July 2016.

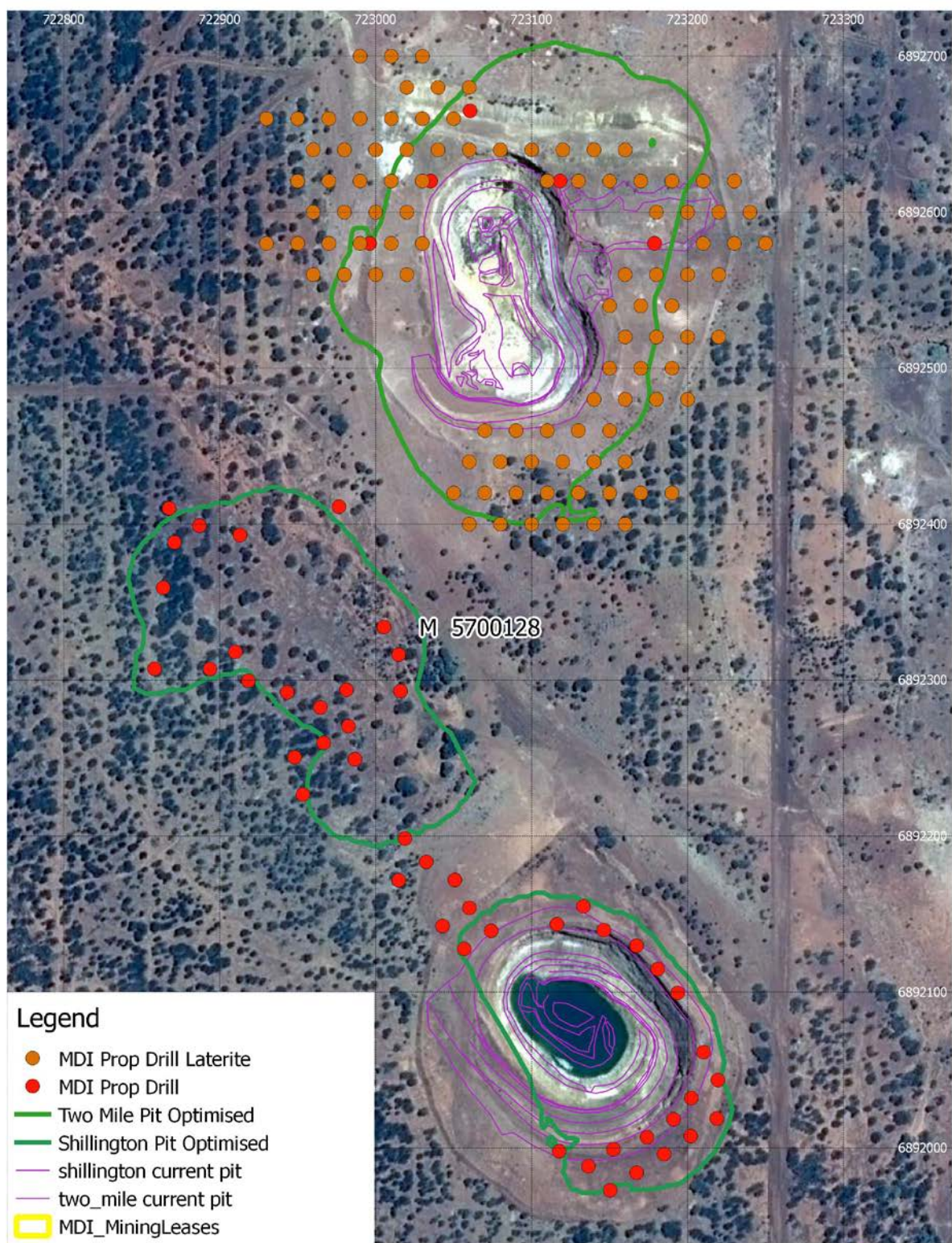
Figure 1



As shown in Figure 2 below, the programme comprises approximately 153 holes for ~4,200m of RC drilling, designed to infill existing resources at the Two Mile Hill (northern pit shell), Shillington (southern pit shell) and Shillington North (central-western pit shell) deposits. Some 85% of this gold mineralisation is already amenable to classification as Indicated Resources under the 2012 JORC Code guidelines, with the balance in the Inferred category.



Figure 2



Sandstone Gold Project  
Middle Island Proposed Drilling

50 0 50 100 m



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The primary objective of the drilling is to upgrade all resources comprising the three deposits into the Indicated category for inclusion in the PFS to commence in September 2016. The additional objective is to potentially extend mineralisation around the periphery of the optimised pit shells (presently applying a A\$1,600/oz gold price) in order to define additional resources for inclusion in the PFS.

The drilling will comprise two components; the first being shallow, vertical holes on a 20m x 20m offset pattern to upgrade and extend known mineralised laterite flanking the Two Mile Hill deposit (orange dots), while the second will comprise deeper, angled holes (red dots) within and adjacent to the optimum pit shell margins (green lines) to upgrade existing Inferred resources into the Indicated category.

Subject to weather conditions, it is anticipated that the drilling programme will take approximately three weeks to complete, with a further two weeks required to receive and compile all assays results.

Once fully validated, all new and existing drilling data for the Two Mile Hill, Shillington and Shillington North deposits will be applied in re-estimating the resources (2012 JORC Code guidelines) to underpin the PFS, which is scheduled to commence in September 2016.

Any decision to proceed to recommissioning Sandstone's existing 600,000tpa CIP gold processing plant will be predicated on a positive outcome of the PFS in December 2016.

The Company looks forward to bringing investors regular progress updates on the drilling programme and Sandstone gold project more generally.

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WEBSITE: [www.middleisland.com.au](http://www.middleisland.com.au)

#### Forward Looking Statements

Statements contained in this release, particularly those regarding possible or assumed future performance, costs, dividends, production levels or rates, prices, resources, reserves or potential growth of Middle Island, industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors.

#### Competent Persons' Statement

Information in this report relates to exploration results that are based on information compiled by Mr Rick Yeates (Member of the Australasian Institute of Mining and Metallurgy). Mr Yeates is a fulltime employee of Middle Island and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Yeates consents to the inclusion in the release of the statements based on his information in the form and context in which they appear.